

December 19, 2008

Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the December 19, 2008 meeting were distributed to Commission members, intervenors and other interested parties November 21, 2008 and sent to the Secretary of State's Office for posting on December 4, 2008.

Commission Present: Colon Durrell, Richard Cook, Mark Hedrich, *ex-officio* and Chair Michael Wiers

Commission Absent: John Joseph, Jr.

Department Officials: None

Staff Present: Tim Drake, Acting Executive Director, and Carol Gauthier, Office Associate

Legal Counsel: Not present

Intervenors Present: John Blake, H.P. Hood, Inc., Thomas Brigham, John Economy, Garelick Farms of Maine, Oakhurst Dairy, Julie Marie Bickford of MDIA, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Marc Lessard of Hannaford's.

Others Present: Fred Hardy from MDIA; Chuck Farrand dairy farmer; Harold Larabee, dairy farmer, Lisa Bragg from the University of Maine, Jerry Blake, H.P. Hood, Inc. and Ruby Hardy public attendee.

Chair Michael Wiers called the meeting to order at 1:35 pm.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the November 21, 2008 meeting. Richard Cook seconded. Motion passed 3-0.

Agenda Item 2: Amy Mills, Assistant Attorney General: No report.

Agenda Item 3: Minimum Prices:

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for January 2008 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for January is \$18.91. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.35/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

No testimony was offered.

Richard Cook moved to adopt the price schedule #01-09 with the producer margin at \$1.35. Colon Durrell seconded this motion.

Motion passed 3-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for December 2008 which included prices for Augusta, Bangor/Brewer, Auburn and Brunswick. Marc Lessard of Hannaford's commented that the whole milk price at Topsham was incorrect, it should have been \$3.66 not \$3.79.

Agenda Item 5: Next Scheduled Meetings:

- January 13, 2009, Tuesday 10:30 a.m.
Augusta Civic Center, Augusta ME
- January 23, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- February 20, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- March 20, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- April 17, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary.
2. **Cost of Production Study:** Lisa Bragg had nothing new to report. She will give a presentation at the January 13, 2009 special meeting to be held at the Agricultural Trades Show in Augusta.
3. **Milk Promotions:** Tim Drake gave the Commission two milk promotions being proposed by Kellogg's. These proposals were vetted by legal counsel and approved by staff. Tim Drake then directed the Commission to two letters received from processors as a result of the Commission's request for comments relative to allowing branded couponing of specialty dairy products. Both letters requested that the Commission allow couponing of these products. John Blake stated that Hood's needed a way to market these products in the same manner that other products that are their competition does. John Economy offered that couponing has proven to be the best marketing tool for new products. Chairman Wiers asked if this could be accomplished via rulemaking. Julie Marie Bickford said that she believed that these prohibitions were in statute and had to be changed by legislation. Tim Drake confirmed that this was true. Chairman Wiers asked staff to request Amy Mills to study any possible changes and report back for the February meeting. Tim Drake informed the Commission members of a possible violation of Milk Commission Statute by a processor in relation to a promotion run in December. Mr. Drake asked the Commission to table this matter until the January 23, 2009 meeting when

Assistant Attorney General Amy Mills could be present. The Commission agreed and the matter will be taken up in January.

4. **Dealer Cost and Accounting System:** Nothing to report.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session.

Adjourned: Recessed at 2:05 pm December 19

Tim Drake, Maine Milk Commission